

# *Town of Lexington*



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## Financial Summit I

Subset of Indicator Analysis:

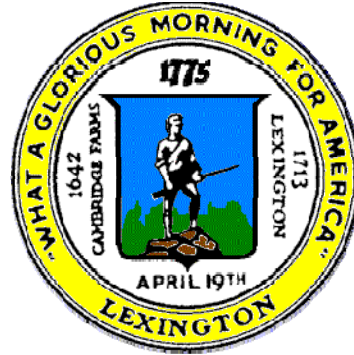
*Fiscal Years 2000-2017*

Revenue and Expenditure Projections:

*Fiscal Years 2019-2021*

October 5, 2017

# *Town of Lexington*



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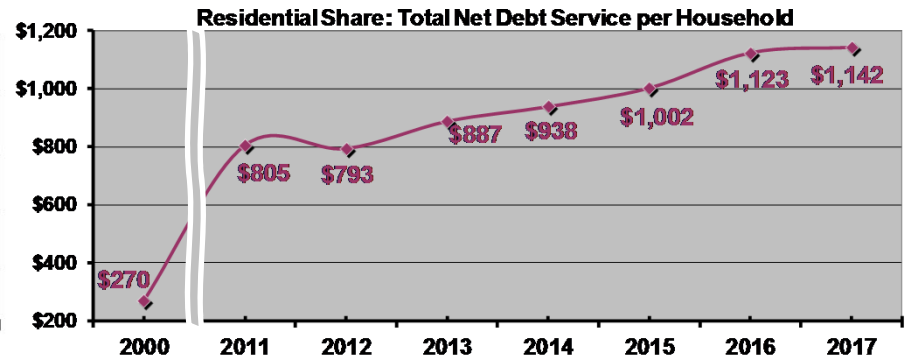
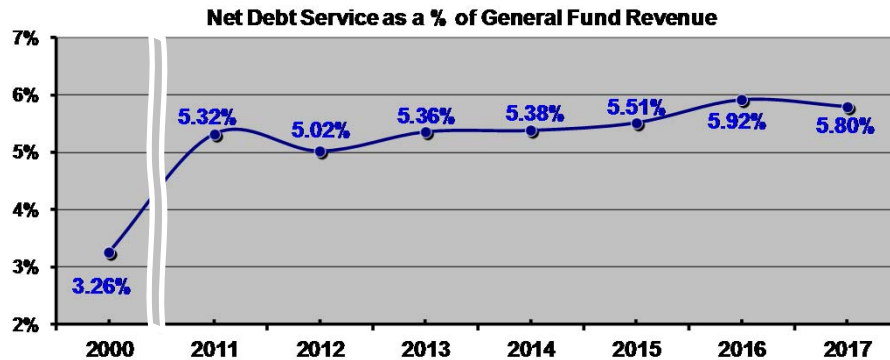
## Financial Summit I

Subset of Indicator Analysis:

*Fiscal Years 2000-2017*



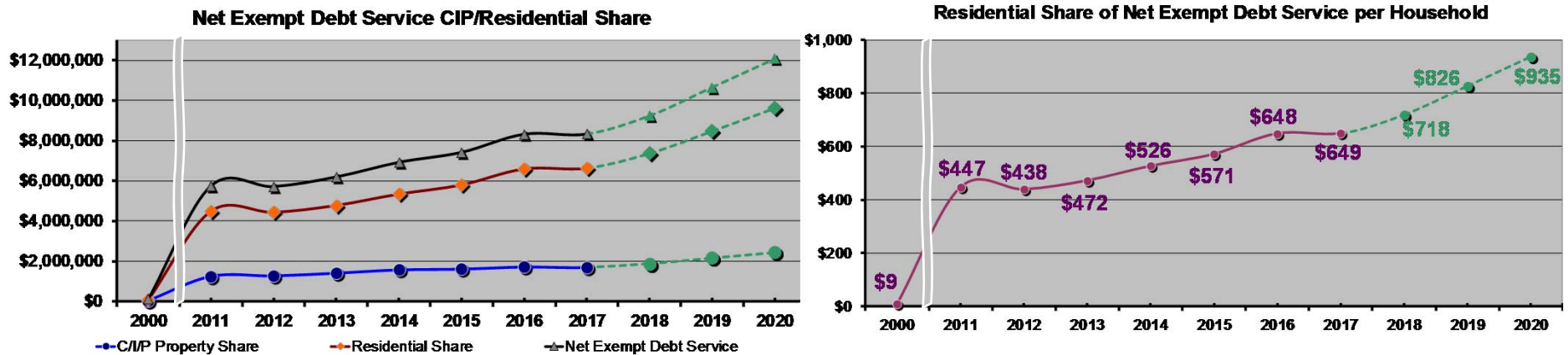
Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



Fiscal Year	2000	2011	2012	2013	2014	2015	2016	2017
A. Gross Exempt Debt Service	\$ 120,000	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 8,527,654	\$ 8,373,332	\$ 8,539,697	\$ 8,330,185
B. Mitigation - Exempt Debt	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,600,000	\$ 950,000	\$ 215,000	\$ -
C. Net Exempt Debt Service (A - B)	\$ 120,000	\$ 5,753,550	\$ 5,721,834	\$ 6,199,081	\$ 6,927,654	\$ 7,423,332	\$ 8,324,697	\$ 8,330,185
D. Within Levy Debt Service	\$ 3,419,863	\$ 4,614,721	\$ 4,631,164	\$ 5,463,031	\$ 5,416,793	\$ 6,524,620	\$ 6,730,161	\$ 7,037,701
E. Mitigation - Within Levy Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 919,000	\$ 620,567	\$ 710,000
F. Net Within Levy Debt (D - E)	\$ 3,419,863	\$ 4,614,721	\$ 4,631,164	\$ 5,463,031	\$ 5,416,793	\$ 5,605,620	\$ 6,109,594	\$ 6,327,701
<b>Total Net Debt Service (C + F)</b>	<b>\$ 3,539,863</b>	<b>\$ 10,368,271</b>	<b>\$ 10,352,998</b>	<b>\$ 11,662,112</b>	<b>\$ 12,344,447</b>	<b>\$ 13,028,952</b>	<b>\$ 14,434,291</b>	<b>\$ 14,657,886</b>
Commercial/Industrial Share of Total Net Debt Service	\$ 877,378	\$ 2,254,062	\$ 2,305,613	\$ 2,651,964	\$ 2,805,992	\$ 2,831,595	\$ 2,981,215	\$ 2,975,463
<b>Residential Share of Total Net Debt Service</b>	<b>\$ 2,662,485</b>	<b>\$ 8,114,209</b>	<b>\$ 8,047,385</b>	<b>\$ 9,010,148</b>	<b>\$ 9,538,455</b>	<b>\$ 10,197,357</b>	<b>\$ 11,453,076</b>	<b>\$ 11,682,423</b>
<b>General Fund Revenue</b>	<b>\$ 81,597,556</b>	<b>\$ 152,465,461</b>	<b>\$ 160,271,333</b>	<b>\$ 168,234,519</b>	<b>\$ 177,271,556</b>	<b>\$ 184,930,094</b>	<b>\$ 193,582,684</b>	<b>\$ 201,525,688</b>
<b>Net Debt Service as a % of General Fund Revenue</b>	<b>3.26%</b>	<b>5.32%</b>	<b>5.02%</b>	<b>5.36%</b>	<b>5.38%</b>	<b>5.51%</b>	<b>5.92%</b>	<b>5.80%</b>
<b>Households</b>	<b>9,866</b>	<b>10,081</b>	<b>10,143</b>	<b>10,156</b>	<b>10,172</b>	<b>10,177</b>	<b>10,195</b>	<b>10,227</b>
<b>Total Net Debt Service per Household</b>	<b>\$270</b>	<b>\$805</b>	<b>\$793</b>	<b>\$887</b>	<b>\$938</b>	<b>\$1,002</b>	<b>\$1,123</b>	<b>\$1,142</b>

Over the last 20 years, Lexington has invested extensively in new capital projects – multiple school reconstruction projects with investments at most of the 9 schools, including new schools for Fiske, Harrington and Estabrook, Lincoln Park, an ongoing street reconstruction project, and a \$26 million Public Services Building have been funded through the successful passage of debt exclusion votes by residents. The increase in net exempt debt service (Row C) has resulted in increases in taxes to Lexington citizens. Net within-levy debt (Row F) has fluctuated slightly throughout the last five years, dependent upon the shorter term capital needs of the community. Debt payments were set to increase with the approval of the Debt Exclusion for the Bridge/Bowman and Estabrook school projects, but that effect was reduced as a result of the approval of debt service mitigation by Town Meeting, detailed above. (Rows B and E)

Lexington Trend	
Favorable	
Marginal	
Unfavorable	
Uncertain	



Fiscal Year	2000	2011	2012	2013	2014	2015	2016	2017	Projected		
									2018	2019	2020
Exempt Debt Service - Issued Debt	\$ 120,000	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 8,527,654	\$ 8,373,332	\$ 8,539,697	\$ 8,330,185	\$ 10,858,883	\$ 11,981,750	\$ 12,376,649
Exempt Debt Service - Auth/Unissued + All Proposed Projects									\$ 374,562	\$ 2,362,948	\$ 5,197,513
Total Anticipated Exempt Debt Service	\$ 120,000	\$ 5,753,550	\$ 5,721,834	\$ 6,599,081	\$ 8,527,654	\$ 8,373,332	\$ 8,539,697	\$ 8,330,185	\$ 11,233,445	\$ 14,344,698	\$ 17,574,162
Exempt Debt Mitigation	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,600,000	\$ 950,000	\$ 215,000	\$ -	\$ 2,000,000	\$ 3,700,000	\$ 5,500,000
<b>Net Exempt Debt Service</b>	<b>\$ 120,000</b>	<b>\$ 5,753,550</b>	<b>\$ 5,721,834</b>	<b>\$ 6,199,081</b>	<b>\$ 6,927,654</b>	<b>\$ 7,423,332</b>	<b>\$ 8,324,697</b>	<b>\$ 8,330,185</b>	<b>\$ 9,233,445</b>	<b>\$ 10,644,698</b>	<b>\$ 12,074,162</b>
<b>C/I/P Property Share</b>	<b>\$ 29,743</b>	<b>\$ 1,250,822</b>	<b>\$ 1,274,252</b>	<b>\$ 1,409,671</b>	<b>\$ 1,574,711</b>	<b>\$ 1,613,320</b>	<b>\$ 1,719,358</b>	<b>\$ 1,690,978</b>	<b>\$ 1,874,334</b>	<b>\$ 2,160,810</b>	<b>\$ 2,450,982</b>
<b>Residential Share</b>	<b>\$ 90,257</b>	<b>\$ 4,502,728</b>	<b>\$ 4,447,582</b>	<b>\$ 4,789,410</b>	<b>\$ 5,352,943</b>	<b>\$ 5,810,012</b>	<b>\$ 6,605,339</b>	<b>\$ 6,639,207</b>	<b>\$ 7,359,111</b>	<b>\$ 8,483,888</b>	<b>\$ 9,623,180</b>
Households	9,866	10,081	10,143	10,156	10,172	10,177	10,195	10,227	10,247	10,267	10,287
<b>Mitigated Debt Service per Residential Household</b>	<b>\$ 9</b>	<b>\$ 447</b>	<b>\$ 438</b>	<b>\$ 472</b>	<b>\$ 526</b>	<b>\$ 571</b>	<b>\$ 648</b>	<b>\$ 649</b>	<b>\$ 718</b>	<b>\$ 826</b>	<b>\$ 935</b>

Notes: "C/I/P" stands for Commercial/Industrial/Personal property. Issued debt reflects debt outstanding as of June 30, 2017. Proposed Projects include Hastings construction, Police and Fire station renovations and Lexington Children's Place construction.

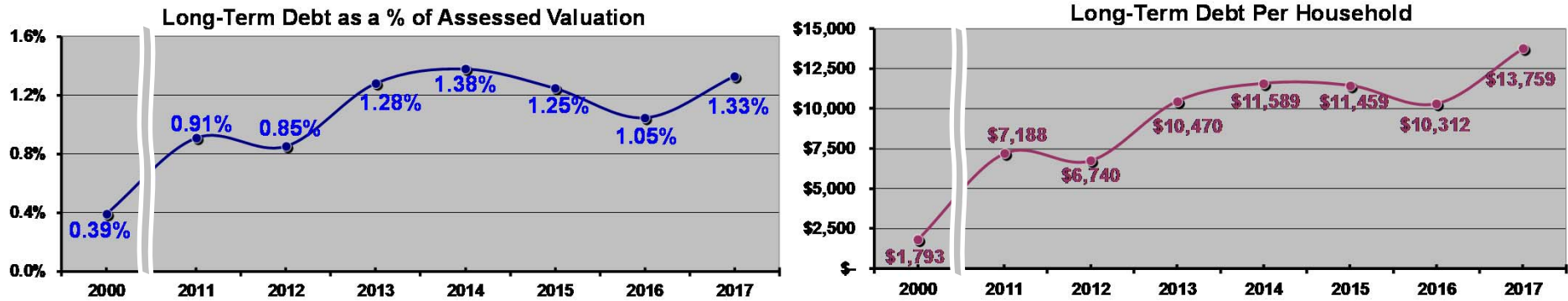
This indicator shows Lexington's history of exempt debt service, and projects its growth into Fiscal 2020 (noted in green) based on modeling done by the Finance Department in October 2017. The graph on the left shows total Net Exempt Debt Service, but breaks out separately Commercial/Industrial/Personal Property (CIP) share and the Residential share. Like in the previous Indicator, the Residential class debt burden is isolated from the CIP classes, and it is this Residential share that is used to determine the effect of Exempt Debt on Lexington households.

Lexington Trend	
Favorable	✓
Marginal	
Unfavorable	
Uncertain	



## Indicator I.12: Long-Term Debt

Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.



Fiscal Year	2000	2011	2012	2013	2014	2015	2016	2017
Bonds Outstanding (all funds)	\$17,686,201	\$72,458,630	\$68,362,969	\$106,330,421	\$117,880,602	\$116,613,728	\$105,126,419	\$140,718,326
Assessed Valuation	\$4,506,277,290	\$7,973,719,190	\$8,026,687,320	\$8,307,956,760	\$8,555,595,350	\$9,359,615,090	\$10,048,547,685	\$10,589,456,610
Long-Term Debt as a % of Assessed Valuation	0.39%	0.91%	0.85%	1.28%	1.38%	1.25%	1.05%	1.33%
Households	9,866	10,081	10,143	10,156	10,172	10,177	10,195	10,227
Long-Term Debt per Household	\$1,793	\$7,188	\$6,740	\$10,470	\$11,589	\$11,459	\$10,312	\$13,759

Sources: Outstanding Long-term Debt & Assessed value information from Bond Prospectus & Operating Statements

These financial indicators are evaluated by the credit rating organizations as measures of a community's debt burden as well as its level of effort in investing in its capital facilities. On both measures, Lexington has a strong profile. Note that the substantial increase from FY2012 to FY2013 is the result of voter-approved exempt debt which financed the renovation of the Bridge and Bowman schools, and the reconstruction of the Estabrook school. Similarly, the increase from FY2016 to FY2017 reflects voter-approved exempt debt for Clarke and Diamond expansion projects as well as modular classrooms at Bridge, Bowman and Fiske.

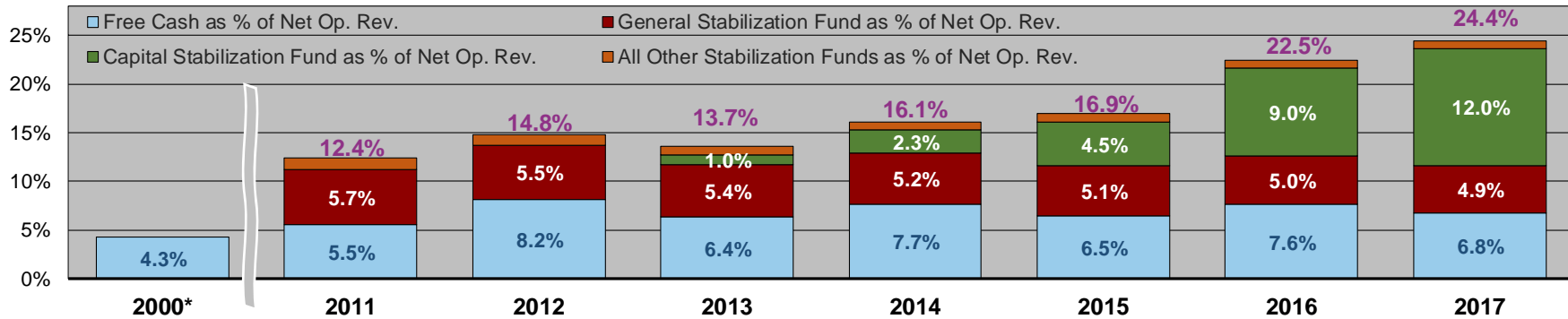
Lexington Trend	
Favorable	✓
Marginal	
Unfavorable	
Uncertain	



## Indicator I.13: Reserves and Fund Balance

Declining reserves as a percent of operating revenues is a warning indicator. The Government Finance Officers Association (GFOA) recommends an undesignated fund balance between 5-15 % of operating revenues.

### Reserves as % of Net Operating Revenue



As of June 30th	2000*	2011	2012	2013	2014	2015	2016	2017
Undesignated Fund Balance **	\$ 5,013,984	\$ 12,795,293	\$ 17,183,772	\$ 14,598,830	\$ 17,370,882	\$ 15,072,831	\$ 17,633,450	\$ 16,295,360
<b>Reserves</b>								
Certified Free Cash <sup>1</sup>	\$ 3,528,323	\$ 8,134,100	\$ 12,600,931	\$ 10,303,125	\$ 13,108,282	\$ 11,487,187	\$ 14,087,869	\$ 13,084,809
General Stabilization Fund	\$ 18,280	\$ 8,376,820	\$ 8,551,561	\$ 8,744,262	\$ 8,895,689	\$ 9,056,939	\$ 9,251,859	\$ 9,447,866
Capital Stabilization Fund		\$ -	\$ -	\$ 1,601,836	\$ 3,990,704	\$ 8,048,466	\$ 16,725,947	\$ 23,203,210
All Other Stabilization Funds <sup>2</sup>		\$ 1,697,231	\$ 1,711,540	\$ 1,471,901	\$ 1,396,302	\$ 1,464,578	\$ 1,526,355	\$ 1,449,028
Net Operating Revenues	\$ 81,597,556	\$ 146,711,911	\$ 154,549,499	\$ 162,035,438	\$ 170,343,902	\$ 177,506,762	\$ 185,257,987	\$ 193,195,503
Free Cash as % of Net Op. Rev.	4.3%	5.5%	8.2%	6.4%	7.7%	6.5%	7.6%	6.8%
General Stabilization Fund as % of Net Op. Rev.		5.7%	5.5%	5.4%	5.2%	5.1%	5.0%	4.9%
Capital Stabilization Fund as % of Net Op. Rev.				1.0%	2.3%	4.5%	9.0%	12.0%
All Other Stabilization Funds as % of Net Op. Rev.		1.2%	1.1%	0.9%	0.8%	0.8%	0.8%	0.8%
<b>Total Reserves as % of Net Op. Rev.</b>	<b>4.3%</b>	<b>12.4%</b>	<b>14.8%</b>	<b>13.7%</b>	<b>16.1%</b>	<b>16.9%</b>	<b>22.5%</b>	<b>24.4%</b>

<sup>1</sup> The FY2017 number for Free Cash reflects an estimate as of 6/30/17 and is currently being prepared for certification by the Department of Revenue.

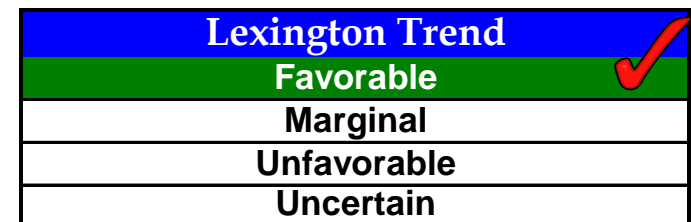
<sup>2</sup> Includes the Transportation Demand, Traffic Mitigation, and Special Education Stabilization Funds

\*Proposition 21/2 Overrides were approved by voters in fiscal years 2001, 2005, 2007 and 2008. Debt exclusions were approved in fiscal years 2000, 2003, 2008, 2012 and 2017.

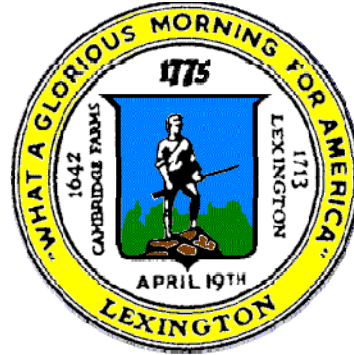
\*\*This refers to funds that were appropriated but unexpended as of the end of the fiscal year, in addition to revenues collected that were in excess of initial projections.

The Town of Lexington has several types of reserves. Historically, the Town had relied upon Free Cash as its primary source of reserves. The Selectmen's Ad Hoc Financial Policy Committee recommended a number of actions to further strengthen the Town's fiscal position and create a series of targeted reserves for specific purposes.

In recent years, the Town has strengthened its reserve position by augmenting and transferring money into the Stabilization Funds. This adds financial flexibility to the Town's operations and provides a buffer against economic downturns.



# *Town of Lexington*



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## Financial Summit I

Revenue and Expenditure Projections:

*Fiscal Years 2019-2021*



Budget decisions that are made within a given fiscal year often have significant implications for subsequent fiscal years. The revenue and expenditure projection within this packet is intended to facilitate discussion among community “stakeholders” with the hope that it will result in the identification of issues that call for further discussion and analysis as the FY2019 budget cycle unfolds.

This forecast projects general fund revenues and expenditures for the period FY2019 to FY2023. It is important to emphasize that the projection is not a proposed or recommended budget. It is a tool for planning, not budgeting.

The forecasting methodology is a maintenance budget approach; that is, the projected increase in costs needed to maintain the “current level of services” reflected in the adopted FY2018 budget. It includes increases driven by estimated inflationary pressures, current collective bargaining agreements and assumed cost of living increases at the expiration of existing contracts, and escalators in other existing purchase of service contracts. It should be noted that school spending includes additional staffing each year (inclusive of benefits, worker's comp, Medicare) due to projected enrollment increases as well as additional staffing for Central Registration, Middle Schools facilities staffing, and Hastings Elementary School facilities staffing. In addition, debt service spending reflects existing debt service obligations within the levy limit as well as projected debt service for annual capital plan of \$6.1 million in FY2019 growing at an annual rate of 5% thereafter.

Revenues are generally projected based on historical experience.

The difference between projected revenues and expenditures is characterized as “available balance”; that is, the available balance that can be used to fund service or program enhancements, add to reserve balances, or finance capital in excess of the annual capital plan described above.

**Summary of Revenue/Expenditure Projections (supporting detail on next page)**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
	<u>Projected</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>
<b>Revenue Summary</b>				
<b>Total Revenues</b>	\$ 212,282,127	\$ 221,498,053	\$ 222,667,253	\$ 230,326,976
<b>Expense Summary</b>				
<b>Total Expenses</b>	\$ 212,282,126	\$ 219,849,724	\$ 227,081,683	\$ 236,654,709
<b>Available Balance</b>	\$ 0	\$ 1,648,330	\$ (4,414,430)	\$ (6,327,732)





<b>Revenue Summary</b>	<b>FY2018 Projected</b>	<b>FY2019 Projection</b>	<b>FY2020 Projection</b>	<b>FY2021 Projection</b>	
1 Property Tax Levy	\$ 169,009,344	\$ 175,734,578	\$ 182,627,942	\$ 189,693,640	Reflects statutory allowable growth of 2.5% and assumed new growth of \$2.5 million annually.
2 State Aid	\$ 15,712,062	\$ 15,925,173	\$ 16,141,455	\$ 16,360,922	Assumes FY2018 Chapter 70 aid increasing at \$25 per pupil Minimum Aid in FY2019, FY2020 and FY2021.
3 Local Receipts	\$ 12,764,750	\$ 13,673,600	\$ 14,045,090	\$ 14,278,408	FY2018 reflects \$600,000 in net-metering credits extending beyond FY2021. Revenues from motor vehicle excise and other excise are recalibrated in FY2019 to reflect 3-year averages, which results in increases of \$480,000 and \$199,000 over FY2018, respectively. FY2019 reflects an additional \$189,000 in revenues from more actively managing cell tower leases. Otherwise, assumes modest growth in local receipts based on evaluation of historical averages.
4 Available Funds	\$ 15,105,963	\$ 16,557,809	\$ 10,378,000	\$ 10,351,000	Free Cash estimate of \$13,084,809 available for FY2019 (estimated 7/1/17 certification) and \$9,000,000 for FY2020-2021. Annual contributions of \$141,000 from TDM Stabilization Fund to support Lexpress and the Alewife Shuttle, \$385,000 from Parking Fund to support Traffic Bureau and snow removal; and \$75,000 from Cemetery Fund to support Cemetery Division. In FY2019-2021, \$750,000 annually from balance of Health Claims Trust Fund to be used to fund health insurance, resulting in an equal amount in the tax levy becoming available to fund contributions to OPEB Trust per BoS policy. Includes in FY2019-FY2021 use of Capital Projects Stabilization Fund to offset within-levy debt service in the amounts of \$2,095,000, \$1,111,000 and \$799,000, respectively.
5 Revenue Offsets	\$ (1,984,103)	\$ (2,116,796)	\$ (2,300,634)	\$ (2,185,656)	\$750K for overlay (property tax abatement and exemptions) in FY2019 and FY2021, and \$900K in FY2020 for reval. year. \$400K set-aside for snow & ice deficit annually; Also includes Cherry Sheet Assessments increasing at 3.5% annually and Cherry Sheet Offsets (State Aid to Public Libraries).
6 Other Revenues	\$ 1,674,111	\$ 1,723,690	\$ 1,775,400	\$ 1,828,662	Assumes FY2018 Water, Sewer and Recreation Indirects increasing by 3% annually.
<b>7 Total Revenues</b>	<b>\$ 212,282,127</b>	<b>\$ 221,498,053</b>	<b>\$ 222,667,253</b>	<b>\$ 230,326,976</b>	

\*FY2018 Projected figures reflect budget adjustments anticipated for STM 2017-3.



**Expenditure Summary**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>		
	<u>FY2018</u> <u>Projected</u>	<u>FY2019</u> <u>Projection</u>	<u>FY2020</u> <u>Projection</u>	<u>FY2021</u> <u>Projection</u>		
<b>Education</b>						
8	LPS Wages	\$ 85,948,669	\$ 90,508,345	\$ 95,728,293	\$ 100,476,269	FY2019-FY2021 includes 2.5% for annual step increases. All years include a reduction of \$1,000,000 in "salary differential" to reflect savings from staff turnover. FY2019 includes increased funding for LEA Unit A, C, D, Tech contracts currently in negotiation. Includes additional staffing each year (inclusive of benefits, worker's comp, Medicare) due to projected enrollment increases. Includes additional facilities/school staffing for LCP and Hastings Elementary School.
9	LPS Expenses	\$ 15,706,513	\$ 16,811,975	\$ 18,375,885	\$ 19,656,483	Program budget per pupil rates adjusted by 1.7% CPI each year and applied against projected enrollment levels each year. Transportation and Special Education Out-of-District Tuition budgets projected based on program trends.
10	Minuteman	\$ 1,670,351	\$ 2,092,807	\$ 2,400,000	\$ 2,450,000	Incorporates initial FY2019 projection from Minuteman, including both operating and capital assessments. FY2020 will see a large increase due to Town's portion of debt service for new school; adjustments in FY2021 once in new building and able to charge out-of-district students a capital fee. Projecting Lexington students increasing from 55 to 80.
<b>Municipal</b>						
11	Municipal Wages	\$ 29,906,806	\$ 30,901,506	\$ 31,929,290	\$ 32,991,258	FY2019, FY2020 and FY2021 reflect the cost of steps estimated at 1.013% plus COLA adjustments for FY2020 and FY2021.
12	Municipal Expenses	\$ 16,241,225	\$ 16,681,291	\$ 17,139,261	\$ 17,616,133	Assumes general inflationary increases of 1.8% with following exceptions: electricity at 7% per year upon expiration of supply contract on 12/1/18 and natural gas at 5.5% at expiration of current supply contract on 9/30/17.
<b>Shared Expenses</b>						
13	Debt Service	\$ 6,881,128	\$ 7,213,508	\$ 7,574,183	\$ 7,952,893	Within levy debt service is projected to grow by 5% annually. Amounts above that will be mitigated by use of the Capital Stabilization Fund.
14	Mitigated Within Levy Debt Service	\$ 324,500	\$ 2,095,000	\$ 1,111,000	\$ 799,000	Within levy debt service mitigated by use of the Capital Stabilization Fund.
15	Retirement	\$ 5,770,157	\$ 6,020,577	\$ 6,270,997	\$ 6,521,417	Contributory Retirement assessment (based on 2024 amortization of unfunded liability and 7.50% interest rate assumption) plus Non-Contributory payments

\*FY2018 Projected figures reflect budget adjustments anticipated for STM 2017-3.



Expenditure Summary (continued)

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
	<u>FY2018 Projected</u>	<u>FY2019 Projection</u>	<u>FY2020 Projection</u>	<u>FY2021 Projection</u>	
<b>16 Benefits</b>	<b>\$ 27,773,351</b>	<b>\$ 29,274,770</b>	<b>\$ 30,726,170</b>	<b>\$ 32,249,695</b>	
16a Medicare	\$ 1,749,069	\$ 1,836,522	\$ 1,928,349	\$ 2,024,766	5% increase in Medicare, reflecting an increase in the number of eligible employees and increases in wages.
16b Health Insurance	\$ 24,932,984	\$ 26,304,298	\$ 27,619,513	\$ 29,000,489	FY2018 base growing at 5.5% in FY2019 and 5% thereafter.
16c Dental	\$ 1,066,298	\$ 1,108,950	\$ 1,153,308	\$ 1,199,440	FY2018 base growing at 4% per year per rate lock.
16d Life	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	Level Funding
17 Reserve Fund	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	Level Funding
18 Workers' Comp.	\$ 807,136	\$ 831,350	\$ 856,291	\$ 881,979	FY2018 base increasing annually by 3%. Additional \$25,000 to build reserves discontinued.
19 Unemployment	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	Level Funding
20 Property & Lib. Insurance	\$ 738,893	\$ 770,000	\$ 808,500	\$ 848,925	Reflects additional expenses for new buildings (Pelham, Bedford St., Clarke/Diamond expansions), with 5% growth in out-years
21 Uninsured Losses	\$ 250,000	\$ 275,000	\$ 300,000	\$ 325,000	\$25,000 annual increase to build reserves in this continuing balance account
22 Solar Production	\$ 410,000	\$ 410,000	\$ 410,000	\$ 410,000	Payments to Syncarpha for construction costs of Hartwell Ave. solar arrays.
23 Capital	\$ 6,268,640	\$ 6,499,581	\$ 6,521,372	\$ 6,538,593	Includes \$3.7M for cash capital in FY2019-FY2021. FY2019 also includes \$2.6M for Street Improvement and \$200K for Municipal Building Envelope, portions of which grow at 2.5% through FY2021.
24 Other	\$ 613,152	\$ 484,292	\$ 450,721	\$ 457,342	Reflects various warrant articles such as Senior Tax Work-Off, \$200K in unanticipated needs in FY19-21, and tax levy support for Community Center.
25 Non-Recurring Expenses	\$ 11,871,606	\$ 6,879,721	\$ 4,379,721	\$ 4,379,721	FY2019 includes an allocation of \$2.5M to the Capital Stabilization Fund, as well as \$2.55M to retire the note, over five years, for the land purchases at Pelham Rd. and Bedford St. The note payment continues at the same level through FY2022. In each of FY2019-21, approximately \$1.83 million transferred to the OPEB Trust Fund.
26 Unallocated Revenue		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	Proposed allocation set-aside for yet to be determined priorities.
<b>27 Total Expenditures</b>	<b>\$ 212,282,126</b>	<b>\$ 219,849,724</b>	<b>\$ 227,081,683</b>	<b>\$ 236,654,709</b>	
<b>28 Available Balance</b>	<b>\$ 0</b>	<b>\$ 1,648,330</b>	<b>\$ (4,414,430)</b>	<b>\$ (6,327,732)</b>	

\*FY2018 Projected figures reflect budget adjustments anticipated for STM 2017-3.



**Continuing Policy Issues:**

- Financing Plan for Increasing School Enrollments (Limiting Program Improvement Requests)
- Financing Plan/Property Tax Impact for School and Municipal Capital Projects
- Plan for Use of Capital Stabilization Fund
- Community Interest in Addressing Pedestrian, Bicycle and Vehicle Safety on Town Roads, Intersections and School Properties. Sidewalk Betterment Evaluation (BOS Goal 7, 10)
- Financing Options for Stormwater Management Mandates

**New Policy Issues**

- Implementation of 20/20 Subcommittee Report/Diversity Advisory Task Force (Goal 18)
- Community Center Expansion Options (BOS Goal 7)
- Staffing for Public Information/Citizen Outreach Activities (BOS Goal 9)
- Community Mental Health Programs (BOS Goal 13)



FY2019 Budget Process

	July	August	September	October	November	December	January	February	March	April	May	June
Elections												
Town Meeting												
Town Manager												
Summit				I	II	III	IV	V				
BOS												
School Cmte.												

Calendar Year 2017 Calendar Year 2018

Important Dates

<p><b>August 2017</b> Issuance of Capital and Operating Budget Guidelines</p> <p><b>I October 2017</b> Summit I - Financial Indicators &amp; Projections Discuss Guidelines and Drivers Town Manager Review of Capital Budget Requests</p> <p><b>II November 2017</b> Summit II - Revenue Projection and Allocation Town Manager Review of Operating Budget Requests</p> <p><b>December 2017</b> Municipal Budget Workshops with Selectmen School Committee Hearings on Budget Summit III - Revenue Allocation</p> <p><b>January 2018</b> Submittal of FY2019 Superintendent's Recommended Budget to SC Submittal of FY2019 Manager's Recommended Budget to BOS <b>IV</b> Summit IV - Review of FY2019 Town Manager's Preliminary Budget</p>	<p><b>February 2018</b> <b>V</b> Summit V - Comment and Budget Deliberations Board of Selectmen Vote on the FY2019 Recommended Budget Budget Decisions and Deliberations Concluded</p> <p><b>March 2018</b> FY2019 Recommended Budget submitted to Town Meeting Municipal Election Town Meeting Commences Budget Presentations by Town Manager and Superintendent</p> <p><b>April 2018</b> Earliest Town Meeting Begins Budget Deliberations</p>	<p>October 5th</p> <p>November 15th</p> <p>December 7th</p> <p>TBD January 22nd January 25th (tent.)</p> <p>February 13th (tent.) February 26th February 26th</p> <p>March 2nd March 5th March 26th TBD</p> <p>April 2nd</p>
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